BC STATS
Service BC
Ministry of Labour and Citizens' Services

Infoline

Contact: bcstats.infoline@gov.bc.ca | Issue: 07-25 | June 22nd, 2007

- **Inflation rate down 0.2 percentage points to 1.7% in May**
- **Retail sales rise 1.5%; wholesalers post 1.2% decrease in April**
- **BC visitor entries slip 1.4% in April**

The Economy

- **British Columbia's year-over-year inflation rate inched down to 1.7% in May, as the all-items Consumer Price Index (CPI) dropped 0.2 percentage points from April.** The increase in the cost of energy (+2.6%) was higher than in the previous month (+1.8%), consequently putting inflationary pressure on the economy. Excluding energy, the overall increase in the Consumer Price Index (CPI) was 1.6%.

  Fuel prices helped drive transportation (+2.6%) costs up last month, as vehicle owners paid 5.4% more to fill up their tanks. The cost of vehicle insurance was also higher (+1.4%) than in May of last year. BC residents paid 1.5% more for shelter as natural gas (+1.4%), was on the rise, but prices for electricity (-4.7%) and fuel oil (-3.4%) were down. Home owners also faced higher insurance premiums (+5.4%), but the costs for maintenance & repair (-0.2%) and household furnishings & equipment (-0.4%) declined slightly. BC students paid more for tuition (+1.9%) and the cost for health & personal care (+1.1%) was also up. Food (+2.6%) prices climbed at a slower pace than in recent months, though the residual effects of the volatile weather on the US West Coast earlier in the year could still be seen in the higher cost of fresh fruits (+9.4%) and vegetables (+7.0%).

  In general, consumers paid more for non-durable goods (+2.5%) and services (+2.0%) than in May of 2006 while prices for durable goods (-0.2%) deflated. Excluding food and energy, prices rose a relatively moderate 1.4%.

  Data Source: Statistics Canada

- **BC's inflation rate was the lowest in the Western half of the country in May.** Alberta (+5.0%) saw the most significant average price increase followed by Saskatchewan (+2.7%) and Manitoba (+2.3%). Canada's inflation rate was 2.2%, due mostly to a 5.8% increase in the cost of gasoline, and sustained increases in costs associated with owned accommodation.

  Among metropolitan areas, the inflation rate in Victoria (+0.9%) was notably lower than the provincial average, while Vancouver's (+2.0%) was slightly higher. *Data Source: Statistics Canada*

The Economy

- **Wholesale sales in the province slipped 1.2% (*seasonally adjusted*) in April, a relatively small decline compared to some other provinces.** Total Canadian sales were down significantly (-3.1%) from the March level, as decreases in the largest provinces well outweighed strength in others. Alberta, where sales of machinery & equipment were low, saw the most significant decline (-7.7%). In Ontario (-2.6%) and Quebec (-3.2%), sales were pushed down by weakness in the automotive sector. Only three provinces experienced growth, the most notable of which was seen in New Brunswick (+2.1%). *Data Source: Statistics Canada*

- **Sales by retailers in the province rose (+1.5% *seasonally adjusted*) for the fifth consecutive month in April, and marked the highest increase among the provinces.** Retail sales gains were seen in half the provinces, most markedly in BC, and Quebec (+1.5). New Brunswick (-0.8%) saw the most significant decline, and sales were off slightly in Alberta (-0.5%) and Ontario (-0.3%). Strong sales in the automotive sector (+1.6%) were a major factor in the overall growth in retail sales at the national level (+0.4%). *Data Source: Statistics Canada*

Report Room Revenues in 2006

Did you know...

65% of British Columbians believe that humans evolved from less advanced life forms millions of years ago. 21% believe God created humans within the last 10,000 years and 15% are not sure as to the origin of human-kind. *Source: Angus Reid*

Tourism

- **The number of visitors entering Canada via BC borders slipped (-1.4%, *seasonally adjusted*) for the third consecutive month in April.** Entries from the US, which comprise most of the visits, were down 1.2% as Americans made fewer same-day (-2.8%) and overnight (-0.3%) trips into BC. Travel to BC from overseas countries was also off (-2.4%) in April, brought down by declines in the number of Asian (-3.7%) entries. Travel to the province from Japan (-9.3%) and Hong Kong (-13.4%) posted significant decreases from the previous month. Visits from Europe (-1.4%) also waned, but those from Oceania (+3.0%) continued to grow.

  The number of Canadians returning home via BC also edged down (-0.7%). Same-day car trips from the US dropped 2.8% and the number of travellers returning home from trips overseas dipped (-0.9%) in April.

  Data Source: Statistics Canada & BC Stats

Maternity

- **Longer maternity leave entitlements appear to have impacted the length of time a mother chooses to breastfeed.** Women who have given birth since January, 2001 have been entitled to a job-protected leave of one year rather than the previous six month entitlement. Since then, the proportion of mothers who breastfed their infants for the recommended six months or longer rose from 20% to 28%. Following the policy change, breastfeeding was prolonged by an average of one month and women returned to work an average of three to three-and-a-half months later. Although the duration of breastfeeding was prolonged among mothers who chose to nurse their infants, women are not more likely to make the decision to breastfeed as a result of extended leave entitlements.

  Data Source: Statistics Canada

Political Activity

- **Young Canadians (aged 19 to 25) are more likely to participate in non-voting political activities.** Non-voting political activities, such as volunteering for a political party, are also more common among men than women and among those with a post secondary education.

  Data Source: S.C. Cat. # 11-008-XIVE

The Nation

- **The Canadian composite leading indicator advanced 0.5% in May, with expansion in eight of the ten components.** Spending in the retail sector boosted the overall index as sales of furniture & appliances (+1.5%) and other durable goods (+0.6%) both posted significant gains. The housing index (+1.3%), a composite of housing starts and sales, was also strong last month. Negative influences on the composite index included a continued retreat in the manufacturing sector (-0.3%). *Data Source: Statistics Canada*

- **Canadian agricultural production totalled $44.9 billion in 2006, down 4.3% from the year before.** A slight drop in sales of agricultural products, lower program payments and the declining value of inventory change are among factors contributing to the drop. Ontario was the largest agricultural producer ($10.7 billion, or 24% of the national total), followed by Alberta ($10.2 billion) and Quebec ($7.9 billion). In BC, agricultural production was valued at $2.7 billion last year.

- **Canadian investment in foreign securities increased in April.** Canadian acquisitions were split almost equally between purchases of foreign stocks ($7.0 billion) and bonds ($7.1 billion). Investors shed some money market paper ($929 million), such that the total net holdings in foreign securities amounted to a near record $13.2 billion. Investment over the first four months of 2007 has amounted to nearly half the record $78.7 billion invested in 2006 as a whole.

  At the same time, foreign investors acquired $1.5 billion in Canadian securities in April, down from $4.5 billion in March.

  Data Source: Statistics Canada

***Infoline** Issue: 07-25*
June 22nd, 2007

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

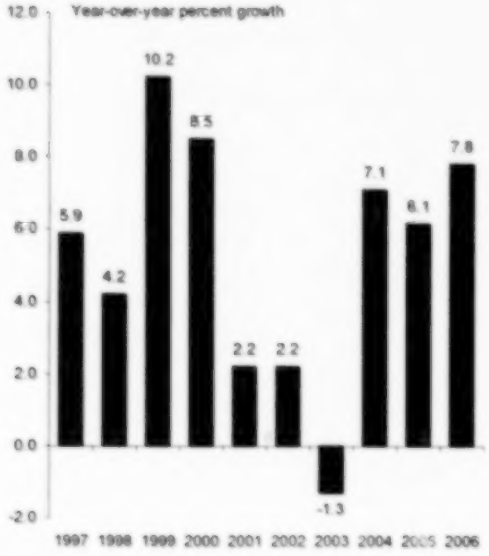
Contact Ocean Fan Lu
(250) 387-1124
Originally published in
Tourism Sector Monitor Issue 07-05

Room Revenues in 2006

Revenues continued on an upward trend

Room revenues at hotels, motels and other establishments in British Columbia increased 7.8%, reaching over $1.8 billion in 2006, the highest level since 1995. The persistent growth for the third consecutive year highlights the strength of BC's tourism economy.

Persistent growth in room revenues in 2006 in BC

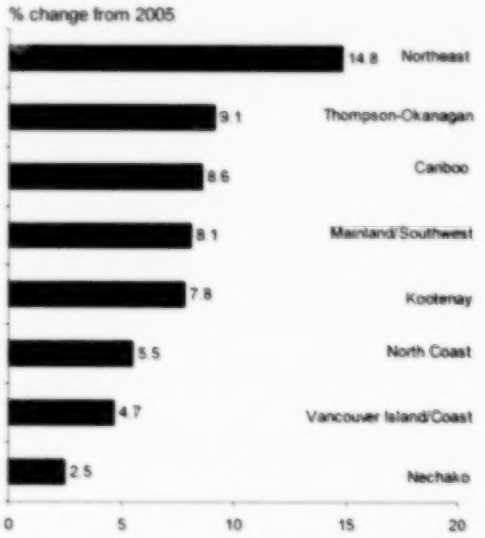


Data Source: BC Stats

Northeast continued to be the top performer in 2006

All regions of the province experienced increases in revenues in 2006. For the fourth time, the Northeast region outperformed the rest of BC, posting a growth rate of 14.8%. This follows a gain of 22.1% in 2003, 12.2% in 2004, and 21.9% in 2005. Thompson-Okanagan (+9.1%), Kootenay (+7.8%) and Vancouver Island/Coast (+4.7%) continued their upward trend since 1997. BC's most populated region, Mainland/Southwest (+8.1%), also made significant gains in room revenues. Cariboo (+8.6%) was also a major engine of revenue growth, as was North Coast (+5.5%). After a robust increase of 15.2% in 2005, revenues in Nechako rose only a moderate 2.5% in 2006.

Northeast outperformed the rest of BC in 2006



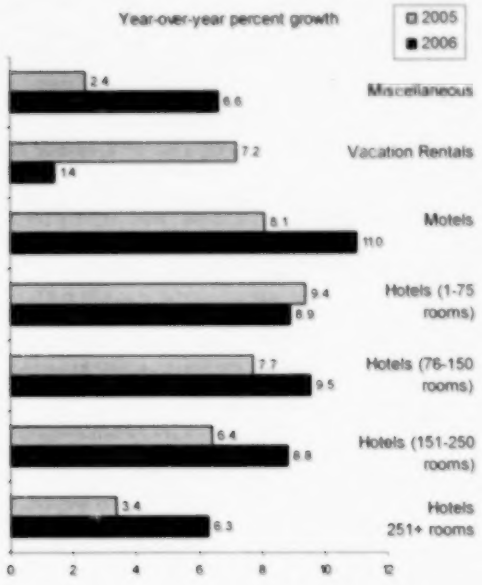
Data Source: BC Stats

Revenues up at all types of establishments

Motels (+11.0%) outperformed hotels (+8.1%), vacation rentals (+1.4%), and other types of accommodation properties (+6.6%; including bed and breakfast, fishing lodges and other types of short-term accommodation). This is not much different from 2005, when revenues at motels (+8.1%) surpassed those of hotels (+6.0%) and vacation rentals (+7.2%).

In 2006, motels posted strong, persistent and consistent increases, proving themselves to be strong competition for hotels, and replacing small hotels (1-75 rooms, +8.9%) as the top performers in 2006. Hotels with 76-150 rooms posted the strongest gain (+9.5%) among hotels, followed by large hotels (151-250 rooms, +8.8%). Very large hotels (251+ rooms) grew faster than they did in 2005, showing a 6.3% increase in revenues.

Small hotels posted strongest gain



Data Source: BC Stats

Infoline

June 22, 2007
Issue 07-25

fax transmission information service from **BC STATS**

Email transmission information service from **BC STATS**

also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Jan 1/07	% change on one year ago
BC	4,338.1	1.3
Canada	32,777.3	1.0
GDP and INCOME (Released Apr 25)		
(BC - at market prices)	2006	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	179,701	6.4
GDP *($ 1997 millions)*	150,741	3.6
GDP *($ 1997 per Capita)*	34,971	2.3
Personal Disposable Income *($ 1997 per Capita)*	21,984	4.8
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Apr	3,530	2.2
Merchandise Exports - Apr	3,010	5.5
Retail Sales - Apr	4,707	1.5
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - May 2007)		
BC	1.7	1.8
Vancouver	2.0	2.2
Victoria	0.9	1.5
Canada	2.2	1.8
LABOUR FORCE (thousands)		
(seasonally adjusted)	May '07	% change on prev. month
Labour Force - BC	2,362	0.4
Employed - BC	2,263	0.6
Unemployed - BC	99	-5.3
		Apr '07
Unemployment Rate - BC *(percent)*	4.2	4.4
Unemployment Rate - Canada *(percent)*	6.1	6.1
INTEREST RATES (percent)	Jun 20/07	Jun 21/06
Prime Business Rate	6.00	6.00
Conventional Mortgages - 1 year	7.05	6.50
- 5 year	7.24	6.75
US/CANADA EXCHANGE RATE	Jun 20/07	Jun 21/06
(avg. noon spot rate) Cdn $	1.0646	1.1167
US $ *(reciprocal of the closing rate)*	0.9372	0.9016
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	May '07	% change on one year ago
BC	741.59	2.7
Canada	743.89	2.5

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Regional Employment Projections

BC Stats, with the financial assistance of the Ministry of Advanced Education, developed the Regional Employment Projection Model (REPM), designed to project industrial and occupational employment in regions of the Province of British Columbia. The model projects employment at the Regional District level and then aggregates back up to the College Region for reporting purposes.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Socio-Economic Profiles & Indices

The 2006 edition of these widely-monitored reports provide the most complete and up-to-date basis for measuring and comparing the social and economic dimensions of regions in the province. Released April 4.

www.bcstats.gov.bc.ca/data/sep/index.asp

High Technology Sector—2006

The high technology sector is a growing part of British Columbia's diverse economy, offering the prospect of strong economic growth in the years to come, as well as a local source of technology inputs to the province's resource-based industries.

Our latest *Profile* and *Input Indicators* reports are now available.

www.bcstats.gov.bc.ca/data/bus_stat/busind/hi_tech.asp

Released this week by BC STATS

- Consumer Price Index, May 2007
- **Next week**
- Business Indicators
- Current Statistics
- Migration Highlights
- Tourism Sector Monitor
- Small Business Quarterly

BC STATS, Ministry of Labour and Citizens' Services, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: www.bcstats.gov.bc.ca E-mail: BC Stats@gov.bc.ca